Automotive News

May 20, 1991

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GM flocks north to learn from lean, mean CAMI

Factory is two plants in one

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

INGERSOLL, Ontario — One of the hottest tours on the General Motors circuit these days is a low-profile car plant along the Detroit-to-Toronto highway.

Armed with questions about Japanese manufacturing methods and labor-management ways, GM engineers and factory types are coming in droves to see CAMI Automotive Inc., GM's $500 million joint venture with its Japanese affiliate Suzuki Motor Co. Ltd.

So many are coming, in fact, that late last year the factory had to open a liaison office nearby in London, Ontario, about 110 miles northeast of Detroit, to conduct the tours. More than 700 GM personnel have shuffled through the two-year-old factory since last October. A full-time staff of three does nothing but book the visits.

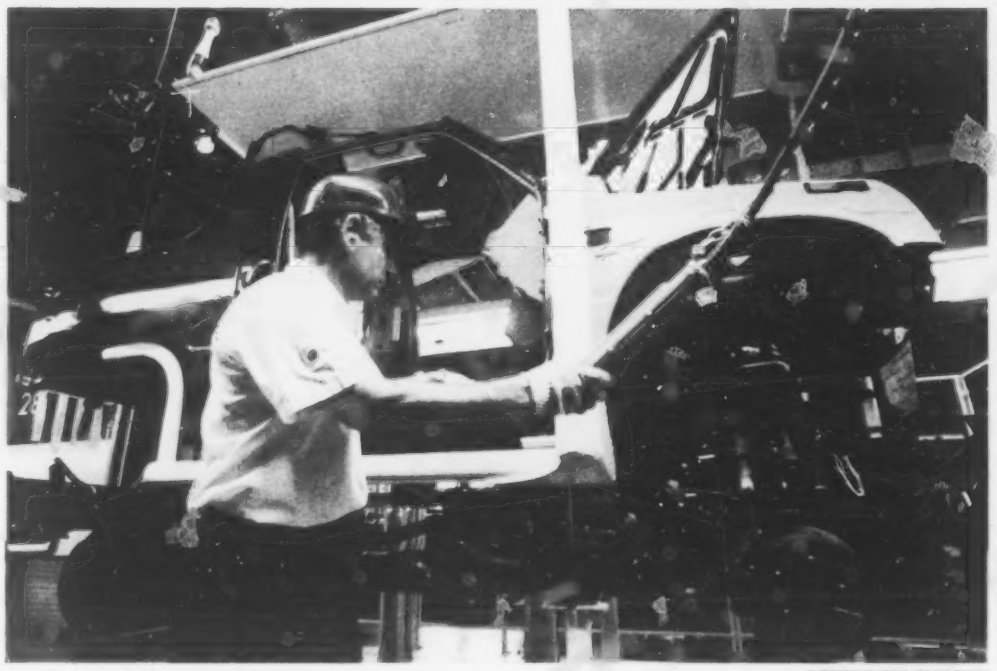
What's so wondrous about a Canadian factory that embraces secrecy to the point of not releasing production figures?

Like GM's ambitious $3.5 billion Saturn project in Tennessee and its seven-year-old joint venture with Toyota Motor Corp. in California, CAMI is a small-car laboratory for GM. Each of the three plants has been labeled "an experiment" for the carmaker to learn ways to make small cars in North America.

The California plant, New

see CAMI, page 44

- **Location: Ingersoll, Ontario**
- **Structure: CAMI is owned equally by General Motors and Suzuki Motor Co. Ltd. GM owns 5 percent of Suzuki. Suzuki has responsibility for manufacturing, engineering and purchasing at CAMI. GM is responsible for human resources and finance.**
- **Expected 1991 production: 120,000 cars, 40,000 trucks**



AUTOMOTIVE NEWS JOE WILSSENS

CAMI workers like Imre Bereczki provide GM and Suzuki with five suggestions for improvement each month.

BIG DEALS

Nation's largest dealers grow on diet of fast-turn fleet cars

By Edward Lapham
MANAGING EDITOR

Despite the tough times that plagued many U.S. new-car dealers last year, the biggest dealers used fleet sales, particularly fast-turn program cars, to get even bigger, according to the *Automotive News* list of America's largest auto dealers.

The list, which ranks top-producing dealerships for domestic and imported franchises, was compiled for the *1991 Automotive News Market Data Book*, which will be published May 29.

The ranking is based on total new-unit deliveries — car and truck, fleet and retail — for calendar 1990.

It features the 10 highest volume franchises for 36 makes. The entire list of 360 top-selling franchises will be published in the *Market Data Book*. Top 10 dealer rankings in six categories appear on Page 26.

The dealership located in the United States that reported the most total new-unit deliveries for a

see DEALERS, page 26

1990 RETAIL LEADERS

Rank	Franchise	Location	1990 Retail New Units
1	Longo Toyota	El Monte, Calif.	15,931
2	Ricart Ford Inc	Columbus, Ohio	9,010
3	Gardena Honda	Gardena, Calif.	7,000

East, West meet again with Ford-Nissan van

By David Versical
NATIONAL EDITOR

FARMINGTON HILLS, Mich. — First, the Japanese built Japanese cars for the Big 3. Then Ford Motor Co. built a Japanese-developed Escort for itself and a Ford-developed Navajo sport-utility for its Japanese partner, Mazda Motor Corp.

Now Ford and another Japanese company, Nissan Motor Co. Ltd., are adding a new strand to the complicated web of trans-Pacific automaking relationships. Next year, Nissan will hand over a minivan it is developing for production at a Ford assembly plant. About two-thirds of the 135,000 produced annually will be sold as the Mercury Villager; 50,000 will be called Nissan Quest.

Nissan unveiled a prototype of the Quest last week in the sun-baked, high-walled courtyard of its new research and development center here. The vehicle's heritage is an example of East-West cooperation — within Nissan and outside Nissan — that allowed the project's general manager, Makoto Moriya, to describe it as "very American, very Nissan" in the same breath.

It is an upscale minivan, contemporary but not aggressive in styling. Its hood slopes low like a car's, giving rise to Nissan's description as a "car-van." And while it appears to be no bigger than its competition, Nissan thinks flexibility will give the Quest/Villager an advantage. With seats that can be removed, turned into table tops or slid out of the way, the minivan's interior can be redesigned daily.

The Quest/Villager was conceived at the Nissan Technical Center in Japan. Styling was done at Nissan Design International Inc. in San Diego. Japanese engineers who began development in Japan finished the job in Michigan. And it will be built starting next April at a Ford plant in Avon Lake, Ohio.

Nissan said it unveiled the Quest so far in advance because it wanted to explain its lead role in developing the vehicle, which has sometimes been referred to as a "Ford-Nissan minivan." A Ford spokesman said later that Ford wasn't too thrilled about Nissan's decision to show off the vehicle this early.

The differences provide an example of the interests that had to be balanced in carrying out the first shared project between the No. 2 automakers in Japan and the United States. Unlike Mazda, of which Ford owns 25 percent, there is no shared equity between Ford and Nissan.

Conflicts between the two camps were one reason production will

see NISSAN, page 46

New Mazda Sentia: A Pegasus preview?

The Sentia luxury sedan is expected in the United States this fall.

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Mazda Motor Corp. tomorrow will take the wraps off a drop-nosed four-door luxury sedan slated to replace the slow-selling Luce/929 line — but which industry sources say is the precursor to the automaker's long-awaited Pegasus.

The all-new car, the Sentia, will slot in between the Mitsubishi Diamante and the Acura Legend in price, size and luxury trappings. Featuring all-wheel steering and all-wheel drive, the Sentia will be powered by a 2.5-liter, 24-valve V-6 turning out 160 horsepower, and an optional 3.0-liter, 200-hp V-6.

Industry sources said the car, which has been brought to launch stage amid unw[illegible] will be sold in Japan through existing Mazda channels. It is expected to be shown in the United States in late June, when Mazda has scheduled a press briefing for the "all-new 929 replacement." U.S. sales could begin in the fall.

Although Mazda last week refused all comment on the Sentia, one official said it is not the company's much-anticipated Pegasus luxury vehicle. The Pegasus is expected to be sold through a new sales channel in the United States to compete with Honda's Acura, Toyota's Lexus and Nissan's Infiniti nameplates.

But industry insiders here concurred that if the new car is not "the" Pegasus, it is the forerunner of the new luxury line.

see SENTIA, page 46

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Love-hate relationship:
Many car buyers use professional brokers to make deals. But some dealers hate them for stealing profits. Story on Page 22.

Chrysler picks Belvidere to build new small car

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

BELVIDERE, Ill. — Chrysler Corp. will build its new small car for the 1994 model year at its Belvidere assembly plant.

And Chrysler plans to make Big 3 automotive history by building right-hand-drive vehicles for export. An unspecified number of Jeep Cherokees, built at Toledo, Ohio, will be made with right-hand-drive for export beginning in late 1992.

Chairman Lee Iacocca made the announcements Thursday at the company's annual shareholder's meeting, which was held at the Belvidere plant.

The PL cars, which will be in the range between a subcompact and a compact, will replace the L-body Omni/Horizon, which Chrysler dropped last year, and the P-body Shadow/Sundance. The PL is expected to be based on the Dodge Neon concept car.

After the formal meeting, Chrysler President Robert Lutz said Chrysler expects to build 250,000 to 300,000 PLs annually.

Iacocca said the PL project "may just be our last chance to build a quality small car in America at a profit."

The first PLs will be four-door sedans with a 2.0-liter, four-cylinder, multi-valve engine in either single- or double-overhead-cam versions.

The Belvidere plant is now home to Chrysler's full-sized four-door sedans.

Belvidere will be converted to accommodate the PL in the spring of 1993.

In 1992, Chrysler will begin production of the right-hand-drive Cherokee at both Toledo and at Beijing Jeep Corp., Chrysler's joint venture in China.

Iacocca said the right-hand-drive Jeep will plant seeds for future worldwide growth.

"When the first right-hand-drive Cherokee rolls off the Toledo assembly line in late 1992, Chrysler will become the first American car company to mass-produce right-hand-drive vehicles for export out of North America," Iacocca said.

Honda of America Manufacturing Inc. was the first carmaker to mass-produce right-hand-drive vehicles in North America, starting in January 1990. The transplant now builds right-hand-drive Accords for Japan and the United Kingdom.

Ironically, Chrysler's right-hand drive Jeeps will be sold in Japan by Honda dealers.

Former head of Japanese supplier blames Nissan keiretsu for ouster

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — The disgruntled former chairman of a Japanese auto supplier firm last week publicly accused Nissan Motor Co. of using its power under Japan's fabled *keiretsu* system to intimidate and control his company.

American trade negotiators have long cited the *keiretsu* system, a tight network of corporate cross-ownership and control, as a trade barrier that blocks U.S. suppliers from any real participation in the Japanese industry.

Pickens: Dismantle *keiretsus*, Page 14

Under *keiretsu*, groupings of related companies act together in cartel-like fashion to promote mutual business and to influence price and supply. Thus, companies outside the grouping typically are unable to compete for business against *keiretsu* members.

Tesuya Tsukatani, who was dismissed in February as chairman of Ichikoh Industries Ltd., charged that Nissan had engineered his ouster from the company he helped found and used the threat of order cutbacks to force the company to lower prices, resulting in unprofitable margins.

The 71-year-old Tsukatani was voted out by the Ichikoh board after attempting to have his son named president of the company. Ichikoh, Japan's second largest auto-lighting firm, is 20.9 percent owned by Nissan.

Ichikoh's operating profit fell from 3 billion yen (about $21.7 million) in 1988 to an estimated 1.15 billion yen in the just-ended fiscal year. Tsukatani blames the decline on Nissan's ability to pressure the company into accepting lower prices because of the clout it has under *keiretsu*.

Ichikoh also does business with, among others, Toyota Motor Corp. and Daihatsu Motor Co., both of whom own small shares of Ichikoh, as well as General Motors and Chrysler Corp. But Tsukatani said Nissan, its major shareholder and major customer, threatened to take away business if it did not comply.

A Nissan spokesman called the accusations "rubbish," and said the automaker would only be "shooting itself in the foot" if it had actually taken business away from Ichikoh. He added that Ichikoh's profit ratio is not out of line with other automotive companies at this time, manufacturers as well as suppliers.

Nissan also denied Tsukatani's charges that it meddled in Ichikoh's internal affairs by opposing his son's candidacy for president.

"As the largest shareholder, we are entitled to speak our mind" on personnel matters, but "there was no attempt to dictate," a Nissan spokesman said.

Tsukatani has filed criminal charges against Ichikoh, charging the company with falsifying official reports to say that he had voluntarily resigned from office. There are no proceedings against Nissan.

The spat flares up at a time when

see KEIRETSU, page 42

BMW positions new 3 series as guilt-free car for '90s

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

WOODCLIFF LAKE, N.J. — With the U.S. launch next month of the 1992 325i, the first completely new 3-series car in 15 years, BMW of North America wants to shed its 1980s "yuppie-car" image and jump on the politically correct '90s bandwagon with a guilt-free BMW.

That means safety, social responsibility and environmental awareness — major themes in the most comprehensive and expensive advertising and marketing campaign in the company's history.

"The market has changed, buying habits have changed, demographics have changed, and we can make statements about our cars that we didn't make before," says Karl Gerlinger, president and chief executive officer of BMW's U.S. sales arm.

But he maintained that the spirit hasn't changed from the cars that inspired the BMW tagline, "The Ultimate Driving Machine."

That tagline is retained, but BMW adds a new slogan that sounds almost defensive: "BMW meets the demands of the '90s with its spirit intact."

The new 325i sedan is the first model in an all-new 3-series lineup, and completes BMW's transition from its old, boxy body style to a new, more aerodynamic, wedgy look.

With the new 3 series the BMW stable shares a strong family resemblance from top to bottom. The latest 7 series was introduced for the 1988 model year; the mid-range 5 series in the 1989 model year; and the 850i coupe for 1991.

Following the 325i sedan — the designation denotes a 3 series car, 2.5-liter displacement engine and "i" for fuel injection — BMW will launch a coupe version of the 325i, probably early next year. The two- and four-door versions of the current 3 series are virtually identical

see BMW, page 42

BRENDA GOETTEMOELLER

Oldsmobile dealer Tom Gill's bulletin board displays clippings that tell how he arranged for 200 tons of supplies to reach troops in the Persian Gulf war.

Bush: Thanks, but no

Dealer who helped war effort can't use president in his ad

By Arlena Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Tom Gill, a Columbus, Ohio, Oldsmobile dealer, says he just wanted to say "thanks."

So he created a television ad featuring White House-supplied film footage of President Bush thanking him for collecting and sending supplies to the Persian Gulf. Gill added his own thanks to the people of central Ohio for donating their time and money.

But the White House told him to cut it out.

"The White House counsel office has stringent guidelines against using the President or his likeness in for-profit advertising," said Paul Luthringer, White House associate director of public affairs.

Gill, owner of Tom Gill Oldsmobile, said he did not know about the White House policy.

The commercial was televised from April 20 to May 10.

"It was a very subtle ad," said Gill. "It didn't show a car or say a thing about selling a car."

The 30-second spot shows troops returning home to flag-waving family and friends. Bush is shown saying: "Look at the strength of Americans across the country. People like Tom Gill of Columbus, Ohio, who collected and delivered eight tractor-trailers full of supplies for the troops in the Persian Gulf."

Gill, who is not seen, says: "Thank you, central Ohio, for making desert relief possible, and thanks to all our troops. It's good to have you home."

The spot closes with the Tom Gill Oldsmobile logo. It never mentions cars.

Bush's remarks were part of a message made for the 1991 National Automobile Dealers Association convention in Atlanta in February, said Luthringer.

Gill said he received two copies of the videotaped message — one from NADA and another from Oldsmobile. He said he was not told that the footage was restricted.

Last fall, Gill enlisted 25 people to help him solicit and package gifts for troops. In a month-long effort, more than 400,000 pounds of goods were collected. Gill said the donations included a variety of things to make the troops' lives more bearable — from books to disposable razors to golf clubs.

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Spring brings hint of rebound for truckmakers

By Joseph Bohn
TRUCK EDITOR

The commercial truck market is finally beginning to revive. Some manufacturers, like Paccar Inc. and Volvo GM Heavy Truck, report their first increases in new-vehicle orders for the calendar year in April.

But the trend hasn't been strong enough or long enough yet for them to be wildly enthusiastic.

Freightliner Corp. and Ford Motor Co. have also seen some increases in bidding activity, but no substantial boost in orders yet. Fleet buyers typically get competitive price bids from several manufacturers before buying.

"Indications are that April (orders) will show the first monthly increase over a year ago. But one does not want read too much into it yet," said Frank Prezelski, an analyst with Rothschild Inc. in New York.

He said the industry bottomed out in February and has been slowly improving since then.

Paccar, parent of Kenworth and Peterbilt, is recalling some workers.

Jack McRae, Paccar director of public affairs, said the Peterbilt plant in Denton, Texas, is recalling 150 workers for a planned production increase beginning in June.

McRae declined to give specifics on build rates, planned production increases or specific numbers of people being recalled at other plants. He said the activity at the Peterbilt facilities in Madison, Tenn., and Seattle, and the Kenworth plant in Chillicothe, Ohio, paralleled that of Denton.

McRea said the company's new-vehicle order book was "getting a little strong," but was not near capacity yet. Paccar officials look for a strong second-half rebound.

Volvo GM Heavy Truck's order intake is increasing. "It's starting to look decent for the first time this year," said Rudy Spic, Volvo GM public relations manager.

He said April's orders were "very, very close" to the company's desired goal and early May orders looked good.

Freightliner's orders have been relatively good "all along," said Debra K. Nicholson, director of public affairs. The company has not had any heavy-truck plant shutdowns, she added.

The company hasn't seen any noticeable increase in its order rate during April.

John Merrifield, Ford heavy truck sales and marketing manager, said the company has seen a "little more inquiry" in Class 6-8 orders during the early part of May, but does not expect to see a major upturn until the end of summer.

Ford's Louisville, Ky., plant was down last week. It will shut down for vacation the weeks of June 10 and 17, a little earlier than usual. That will put Ford into a better position for the market upturn later this year, Merrifield said.

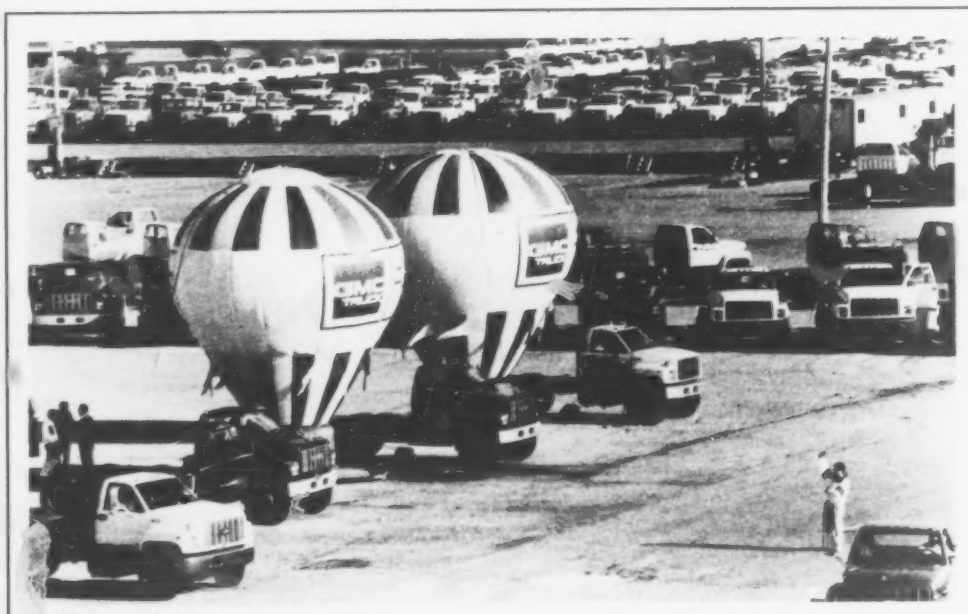
Ford will begin producing 1992 model medium and heavy trucks at Louisville on July 29.

Merrifield said Ford tracks 25 of its key dealers on orders, and they are seeing "some increase in activity."

"I feel better than I did a month ago," he added.

Class 8 sales for April totaled 7,815 and were off 30.6 percent from last year's 11,263, according to the Motor Vehicle Manufacturers Association.

Net new orders for Class 8 trucks during the first three months of calendar 1991, the most recent period available, totaled 19,128, according to Rothschild, off 35.4 percent from 29,627 a year earlier.



Pulling out all the sales stops

General Motors' Truck & Bus Group staged a massive driveaway of medium-duty Chevrolet Kodiak/GMC TopKick trucks from its Janesville, Wis., plant to generate factory orders. About 600 people from dealerships in 45 states attended. It generated 617 orders, filled partly by attendees driving away 196 trucks.

APRIL 1991 TRUCK SALES BY GVW

	Apr. 1991	Apr. 1990	4 mos., 1991	4 mos., 1990
Class 1-3	102,984	122,133	359,752	456,692
Class 4	1,790	2,565	6,752	9,372
Class 6	403	341	1,578	1,508
Class 7	2,025	2,225	6,872	8,997
Class 8	558	1,196	2,476	4,360
FORD	**107,760**	**128,460**	**377,430**	**480,929**
Class 8	1,739	1,772	7,218	7,870
FREIGHTLINER	**1,739**	**1,772**	**7,218**	**7,870**
Class 1-3	90,839	112,750	329,747	427,129
Class 4	169	0	438	0
Class 5	13	26	46	112
Class 6	286	495	1,194	2,398
Class 7	533	530	2,048	2,409
CHEVROLET	**91,840**	**113,801**	**333,473**	**432,048**
Class 1-3	24,365	30,514	85,183	109,548
Class 4	142	0	284	0
Class 5	40	282	138	1,194
Class 6	387	360	1,424	1,492
Class 7	2,121	908	5,152	4,327
GMC	**27,055**	**32,064**	**92,181**	**116,561**
Class 7	20	38	45	165
Class 8	750	1,178	3,555	4,957
KENWORTH	**770**	**1,216**	**3,600**	**5,122**
Class 6	45	107	168	461
Class 7	61	143	226	615
Class 8	1,061	1,385	3,491	4,781
MACK	**1,167**	**1,635**	**3,885**	**5,857**
Class 6	23	45	101	166
Class 7	54	79	195	342
MERCEDES-BENZ	**77**	**124**	**296**	**508**
Class 4	0	5	7	12
Class 5	1	15	16	42
Class 6	808	1,795	2,415	4,937
Class 7	2,333	2,534	10,424	9,957
Class 8	1,925	2,926	8,730	9,065
NAVISTAR	**5,067**	**7,275**	**21,592**	**24,013**
Class 7	8	87	56	208
Class 8	799	1,113	2,134	4,166
PETERBILT	**807**	**1,200**	**2,190**	**4,374**
Class 7	59	67	146	241
Class 8	891	1,506	2,973	4,686
VOLVO/GM HEAVY	**950**	**1,573**	**3,119**	**4,927**
Class 1-3	22	13	103	114
Class 4	2	0	2	0
Class 5	29	23	141	152
Class 6	38	9	200	204
Class 7	30	64	176	381
HINO	**121**	**109**	**622**	**851**
Class 1-3	38	30	164	251
Class 5	31	60	240	328
Class 6	23	25	104	156
Class 7	23	31	117	191
NISSAN DIESEL	**115**	**146**	**625**	**926**
Class 1-3	801	417	1,608	2,175
Class 4	98	59	213	227
Class 5	245	34	74	127
Class 6	94	332	183	1,048
Class 7	17	49	55	210
ISUZU TRUCK	**1,255**	**891**	**2,133**	**3,787**
Class 1-3	197	143	405	609
Class 5	72	57	141	241
Class 6	42	25	93	87
Class 7	37	56	101	224
MITSUBISHI FUSO	**348**	**281**	**740**	**1,161**
Class 8	11	8	19	41
SCANIA	**11**	**8**	**19**	**41**
Class 1-3	—	92	—	418
Class 4	—	35	—	140
Class 5	—	17	—	62
Class 6	—	11	—	44
IVECO TRUCKS	**0**	**155**	**0**	**664**
Class 8	44	96	188	339
WESTERN STAR	**44**	**96**	**188**	**339**
Class 1-3	130,046	134,666	342,725	653,681
Class 6	0	0	0	34
Class 7	0	0	0	1
Class 8	37	83	112	252
OTHER TRUCKS	**130,083**	**134,749**	**342,837**	**653,968**
CLASS 1-3	**349,292**	**400,758**	**1,119,687**	**1,650,617**
CLASS 4	**2,201**	**2,664**	**7,896**	**9,751**
CLASS 5	**431**	**514**	**796**	**2,258**
CLASS 6	**2,149**	**3,545**	**7,460**	**12,535**
CLASS 7	**7,321**	**6,811**	**25,613**	**28,268**
CLASS 8	**7,815**	**11,263**	**30,896**	**40,517**
TOTAL TRUCKS	**369,209**	**425,555**	**1,192,148**	**1,743,946**

*Estimate

SOURCE: Automotive News Data Center and MVMA

BRIEFS

A U.S. Mid Ranger?

BELLEVUE, Wash. — Paccar Inc. has told dealers it has a team of engineers developing an Americanized version of the Mid Ranger medium-duty cabover truck it is now importing from Brazil.

Jack McRae, Paccar director of public affairs, said Paccar has produced prototypes of the vehicle but hasn't decided where in the United States or when to produce it.

Paccar's Kenworth and Peterbilt dealers like the Volkswagen-designed Mid Ranger, but the Brazilian economic environment makes it unprofitable to import.

Paccar Sales of North America turned over marketing responsibilities for the Mid Ranger to its Kenworth and Peterbilt divisions Feb. 1.

Rockwell gears up

TROY, Mich. — Strong demand for its heavy-truck transmissions led Rockwell International Corp. to increase production at its Laurinburg, N.C., facility.

Dennis A. Kline, Rockwell director of sales and marketing for transmissions, said the firm is adding nine new models of its nine-speed transmission, with R-ratio overdrive and higher torque ratings, to the plant's production.

Rockwell, a newcomer to the heavy-truck transmission segment, expects to garner 10 percent of the market in 1991. It now covers about 70 percent of on-highway applications.

Kline said tighter emissions standards are driving up engine torques and changing traditional engine-transmission match ups.

Fleets are shifting toward "gear fast/run slow" transmission designs for a combination of performance and fuel economy, he added. Overdrive transmissions are also growing in popularity.

ATD opens survey

NASHVILLE, Tenn.— The American Truck Dealers Division of the National Automobile Dealers Association debated whether to publish all the results of its survey of members' attitudes about their franchises.

The issue raised quite a flap among some dealer groups at the organization's annual convention.

The American Truck Dealers Division of McLean, Va., has been publishing only the overall dealer ratings of the value of their franchises. Freightliner Corp. and Mitsubishi Fuso Truck of America Inc. have generally been at the top.

The American Truck Dealers Division decided not to publish other survey information for media use. But Jim Westlake, director of the dealer group, said it will make data from the 13 basic questions of the survey available on a broadscale basis to dealer members upon request.

The American Truck Dealers Division will continue to publish the overall dealer franchise ratings, he added.

DEALERS

FROM PAGE 1

single franchise last year was Ed Morse Chevrolet in Lauderhill, Fla., which delivered 61,936 new Chevrolet and Geo units. The Morse Chevrolet total included 59,694 fleet units and 2,242 retail units.

The previous year, Morse Chevrolet finished second overall, with 37,489 new-unit sales.

Last year Morse traded positions with Jordan Ford of Mishawaka, Ind.

In 1990, Jordan Ford finished second behind Morse, even though the dealership delivered a whopping 52,536 new units.

But in 1989, Jordan was the new-unit volume leader with 42,013 new units.

The Morse dealerships in Florida are all big fleet-sales dealerships, thanks to a centralized fleet operation. Some of the dealerships, like Ed Morse Chevrolet, are dealered by Edward J. "Ted" Morse Jr., while others, like the top-producing Cadillac franchise, Bayview Cadillac in Fort Lauderdale, are dealered by father Edward J. Morse.

Jack Evans, vice president of Ed Morse Fleet Sales, said his company's fleet numbers were boosted in 1990 by the effects of factory turn-back programs.

"The rental companies just rolled their fleets faster and faster last year," he said.

Evans said the Ed Morse Fleet operations — which include big franchises of father and son — have used their own guaranteed turn-back programs for several years as a way to woo daily rental fleet business.

"Actually, the factory programs don't make me happy," Evan said. "They took us out of the turn-back business, which was profitable."

Although Morse Chevrolet and Jordan Ford were well ahead of the pack in new-unit deliveries, neither dealership reported the top dollar-volume sales for their dealerships. That honor went to Prospect Motors in Jackson, Calif., which rang up a staggering $935.3 million in sales last year. That was nearly double the $470.6 million in sales Prospect Motors reported for 1989.

Although Prospect Motors was not the top-producing dealership for any single franchise, it finished in the Top 10 for each of the five General Motors passenger car franchises — including three second-place finishes — for total new-unit sales of 79,073 for those five franchises. Prospect Motors also sells Toyota at its Jackson dealership.

The big-number role of fleet sales was obvious in the *Automotive News* list. The 360 top franchises on the list sold a total of 1,218,569 new cars and trucks last year, 805,783 were fleet sales.

Of the top-producing dealerships for each of the 36 franchises, only 11 had more fleet sales than retail sales. That included all of the domestic franchises, except Jeep-Eagle, plus Mazda.

1990 retail leaders

Rank	Franchise	Location	1990 Retail New Units
1	Longo Toyota	El Monte, Calif.	15,931
2	Ricart Ford, Inc.	Columbus, Ohio	9,010
3	Gardena Honda	Gardena, Calif.	7,000
4	Galpin Ford	Sepulveda, Calif.	6,698
5	Pavilion Lincoln-Mercury	Austin, Texas	6,685
6	Norm Reeves Honda Superstore	Cerritos, Calif.	6,605
7	Frontier Ford	Santa Clara, Calif.	5,924
8	Baranco Lincoln-Mercury	Duluth, Ga.	5,714
9	Lawrence Marshall Chevrolet-Oldsmobile Inc.	Hempstead, Texas	5,500
10	Varsity Ford Inc.	Ann Arbor, Mich.	5,456

1990 tops in dollar sales

Rank	Franchise	Location	1990 Sales ($Millions)
1	Prospect Motors Inc.	Jackson, Calif.	$935.3
2	Ed Morse Chevrolet Inc.	Lauderhill, Fla.	$673.1
3	Luke Potter Dodge Inc.	Winter Park, Fla.	$495.5
4	Libertyville Lincoln-Mercury	Libertyville, Ill.	$481.6
5	Island Lincoln-Mercury Inc.	Merritt Island, Fla.	$448.8
6	Bayview Cadillac	Fort Lauderdale, Fla.	$373.6
7	Longo Toyota	El Monte, Calif.	$342.1
8	Griffin Ford Inc.	Frostproof, Fla.	$285.2
9	Marty Fizanica Lincoln-Mercury	Watsonville, Calif.	$274.5
10	Santa Monica Ford	Santa Monica, Calif.	$236.6

1990 tops in new-unit sales

Rank	Franchise	Location	Total 1990 New Units
1	Ed Morse Chevrolet Inc.	Lauderhill, Fla.	61,936
2	Jordan Ford Auto Mall	Mishawaka, Ind.	52,536
3	Fairway Ford	Latrobe, Pa.	31,842
4	Libertyville Lincoln-Mercury	Libertyville, Ill.	31,396
5	Prospect Motors Inc. (Chevrolet)	Jackson, Calif.	30,844
6	Longo Toyota	El Monte, Calif.	22,681
7	Luke Potter Dodge Inc.	Winter Park, Fla.	21,936
8	J.M. Pontiac	Hollywood, Fla.	21,742
9	Prospect Motors Inc. (Pontiac)	Jackson, Calif.	21,265
10	Kendall Toyota	Miami	20,981

1990 fleet leaders

Rank	Franchise	Location	1990 Fleet New Units
1	Ed Morse Chevrolet Inc.	Lauderhill, Fla.	59,694
2	Jordan Ford Auto Mall	Mishawaka, Ind.	49,815
3	Fairway Ford	Latrobe, Pa.	31,442
4	Prospect Motors Inc. (Chevrolet)	Jackson, Calif.	30,590
5	Libertyville Lincoln-Mercury	Libertyville, Ill.	29,985
6	Luke Potter Dodge Inc.	Winter Park, Fla.	21,359
7	Prospect Motors Inc. (Pontiac)	Jackson, Calif.	21,245
8	J.M. Pontiac	Hollywood, Fla.	20,016
9	Griffin Ford Inc.	Frostproof, Fla.	19,466
10	Island Lincoln-Mercury Inc.	Merritt Island, Fla.	19,066

1990 tops in used-unit sales

Rank	Franchise	Location	Total 1990 Used Units
1	Ricart Ford Inc.	Columbus, Ohio	6,794
2	Sam White Motor City	Houston	4,239
3	Rizza Chevrolet Inc.	Bridgeview, Ill.	2,926
4	ABC Nissan	Phoenix	2,835
5	Longo Toyota	El Monte, Calif.	2,745
6	Friendly Chevrolet Co.	Dallas	2,713
7	Dean Bailey Daihatsu	Tulsa, Okla.	2,680
8	Al Hendrickson Toyota	Coconut Creek, Fla.	2,583
9	South Motor Co. of Dade County	Miami	2,412
10	Universal City Nissan Inc.	Los Angeles	2,338

1990 tops in parts and service

Rank	Franchise	Location	1990 Volume ($Millions)
1	Drew Ford	La Mesa, Calif.	$103.5
2	Lustine Chevrolet Inc.	Hyattsville, Md.	$41.1
3	Sam White Isuzu	Houston	$29.2
4	Friendly Chevrolet Co.	Dallas	$28.6
5	Longo Toyota	El Monte, Calif.	$19.9
6	Westway Ford-Isuzu	Irving, Texas	$16.4
7	House of Imports Inc.	Buena Park, Calif.	$15.7
8	Miami Lincoln-Mercury	Miami	$15.5
9	Hornburg Jaguar Inc.	Los Angeles	$15.3
10	Brown and Brown Chevrolet	Mesa, Ariz.	$15.1

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GM's minority business tops $1 billion again

DETROIT — Donald A. Pais, General Motors vice president in charge of the materials management staff, announced that 1990 marked the fourth consecutive year that GM's purchases from minority suppliers and carriers totaled more than $1 billion.

The cumulative purchases from minority suppliers since the 1968 inception of GM's Minority Supplier Development Program have amounted to $8 billion. Examples of minority purchases include raw materials, engineering and design services, motor carrier transportation, as well as finished parts.

The significance, said Pais, "is not the grand total dollar figure . . . rather, the most important factor is that by encouraging economic equality and working with minority businesses throughout the U.S., these companies are able to provide employment opportunities and increase the participation of other minority-owned firms."

U.S. CAR AND LIGHT TRUCK SALES PER DEALER

Make	Cars	Trucks	Total
Toyota	42	18	60
Honda	58	—	58
Saturn	58	—	58
Ford	19	24	43
Nissan	30	13	43
Acura	41	—	41
Chevrolet	21	19	41
Lexus	38	—	38
Mitsubishi	32	5	37
Mazda	25	10	35
Infiniti	29	—	29
Dodge	8	13	21
Hyundai	20	—	20
Volvo	18	—	18
Buick	16	—	16
Pontiac	15	1	16
Isuzu	2	14	16
Subaru	14	—	14
Mercury	13	—	13
Mercedes	13	—	13
BMW	13	—	13
VW	12	1	13
Oldsmobile	11	1	12
Saab	12	—	12
GMC	—	10	10
Cadillac	10	—	10
Jeep	—	9	9
Plymouth	4	5	9
Lincoln	9	—	9
Suzuki	1	5	6
Jaguar	6	—	6
Daihatsu	3	1	4
Range Rover	—	4	4
Chrysler	4	0	4
Eagle	3	—	3
Audi	3	—	3
Sterling	2	—	2
Alfa Romeo	2	—	2
Peugeot	2	—	2
Porsche	2	—	2
Yugo	1	—	1

Saturn equals Honda in April sales per dealer

By William R. Diem
ASSISTANT MANAGING EDITOR

Toyota franchises sold more units in April than any other brand, but two cars-only brands, Honda and Saturn, are in a dead heat a neck behind.

By the sales-per-dealer measure, Saturn Corp.'s plan to give relatively few dealers relatively large territories is a huge success. In April, when Saturn was growing from 70 to 100 outlets, it sold cars at the same rate as Honda's 975 dealers: 58 per franchise.

April sales were counted before Saturn announced its latest solution to a quality problem: replacing 1,836 cars with corrupted engine coolant with brand new ones. But there is no sign the recall will hurt Saturn.

> "Toyota's hanging in there. It's unusual to have the incentives, though. We never used to need them."
>
> **Brian Kroll**
> Toyota on Western

In fact, "showing dedication to customer satisfaction . . . has taken a negative and turned it into a positive," said Ray Morrisette, general manager at Saturn of Bloomington, in Bloomington, Minn.

Toyota suffered a 14.0 percent decline in April, about the industry average, and, like the industry, it failed to meet March figures. Chicago dealership Toyota on Western followed that pattern in achieving exactly the average for the marque, 60 units, although the urban store had just one truck in its mix, compared to 18 on average.

"Toyota's hanging in there," said sales manager Brian Kroll, a seven-year employee. "It's unusual to have the incentives, though. We never used to need them." Toyota advertises its dealer incentives on television, proclaiming "up to $1,500" in incentives, which lets customers know how to deal, Kroll said.

Sales-per-dealer figures are an average of total retail sales divided by total franchises.

The rankings closely parallel several studies of dealer attitude toward desirability of franchises. Of the top 10 franchises in April sales-per-dealer, eight are among the 10 most desirable franchises in the winter J.D. Power survey of what dealers would like to sell that they don't have, and seven are among the top 10 in the semi-annual survey by the National Automobile Dealers Association of which franchises are getting more valuable in their owners' eyes.

Sales-per-dealer figures do not necessarily represent a typical dealer. Especially for Big 3 makes heavily into program cars, the biggest dealers are much bigger than typical dealers, skewing the average. At the same time, mature dealer lines, mainly among the Big 3, have many dealers in small towns who sell very few units.

Oldsmobile shows up with an average of 13 sales in April among its 3,095 dealers. "I'm not sure that's a useful number," said John Paul, vice president of Paul Brothers Oldsmobile in Washington, D.C. "The top guy around here is doing 8[illegible]90. The rural dealers might b[illegible] four or five.

"But we've only got about 500 single-point dealers. Most Oldsmobile dealers carry other lines, too. Maybe they sell 13 Oldsmobiles, 15 Pontiacs, and so on."

Paul indicated his store did better than the average, but he also offered some sayings that apply: "If you can't say something postive, don't say anything," and "It's going to get better, or we're going to get used to it."

Special Correspondent Robin-lyn Raimey contributed to this report.

Domestics quadruple use of air bags

By Karen Detkowski
AUTOMOTIVE NEWS STATISTICIAN

Air bag installations nearly quadrupled for domestic-built cars last year. Air bags were installed on 28.54 percent of domestically produced cars sold in the United States.

Installation of 1,840,489 air bags on 1990 models compares to 487,029 on 1989 models.

Chrysler Corp. put the device in 96.83 percent of its cars; Ford Motor Co. hit 49.95 percent, and GM achieved 14.04 percent, according to a survey of manufacturers completed for the *1991 Automotive News Market Data Book* to be published May 29. Transplants installed none.

Chrysler led the Big 3 in air bags with installations on 653,536 1990 models compared to 144,912 in 1989. Ford installed on 770,305 units, and GM installed 416,647.

Headlight timing devices were the least-installed convenience option measured by the *Automotive News* survey. Only 2.21 percent of domestic-built cars had them installed; all were on GM products.

Complete information on equipment installations for domestic and imported cars and light trucks will be included in the *Electronic 1991 Automotive News Market Data Book* as well as in the printed version, along with dozens of other tables. The electronic version, available in Lotus 1-2-3 worksheet files on 3½- or 5¼-inch diskettes, will cost $200.

The printed *1991 Market Data Book* costs $35 if purchased separately, but is free to *Automotive News* subscribers.

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Canadian April sales up 4.8%

By Alex Law
STAFF CORRESPONDENT

TORONTO — Canadian vehicle sales increased 4.8 percent in April, giving the market its first month-to-month sales gain since last July.

A total of 138,539 cars and trucks were sold during the month. Cars sales were up 2.5 percent from April 1990 levels, and truck sales rose 9.8 percent.

The most dramatic gain was posted by Mazda, whose sales doubled. Mazda called the gain its largest ever in Canada and attributed it to heavy advertising, strong internal and external incentives, and an "aggressive" dealer body.

Mazda's 8,868 car and truck sales placed it second among import makes behind Honda. Toyota, whose sales dropped 5.8 percent in April, sold 19 fewer units than Mazda. Mazda is up 56.5 percent for the year.

Among the Big 3, Chrysler led the way with a 12.4 percent increase. General Motors sales rose 1.7 percent, while Ford car and truck sales dropped 10.0 percent.

Other makes with double-digit sales gains included BMW (16.2 percent), Nissan (27.9 percent) and Subaru (49.9 percent).

Importers with the biggest sales declines in April were Jaguar (43.5 percent) and Volvo (25.5 percent).

Industry spokespeople are hoping April's increase might signal the end of the industry slump. Canadian sales dropped 10.9 percent last year and are off 5.5 percent through April 1991. They find hope in falling interest rates, warmer weather and aggressive incentives.

CANADIAN CAR AND TRUCK SALES

APRIL 1991

	Apr. 1991	Apr. 1990	4 mos., 1991	4 mos., 1990
BMW (Imported car)	**408**	**351**	**1,224**	**1,115**
N.A. car	10,841	11,288	33,755	37,591
Imported car	1,912	1,092	6,495	5,082
N.A. truck	10,175	8,011	31,660	25,872
Imported truck	145	143	395	726
CHRYSLER	**23,073**	**20,534**	**72,305**	**69,271**
N.A. car	14,265	15,916	44,616	49,530
Imported car	956	474	2,654	2,286
N.A. truck	11,251	13,032	31,145	42,501
FORD	**26,472**	**29,422**	**78,415**	**94,317**
N.A. car	29,768	30,485	87,580	100,179
Imported car**	547	485	1,473	1,315
N.A. truck	16,902	15,603	45,273	52,080
Imported truck	413	242	1,267	1,706
GM**	**47,630**	**46,815**	**135,593**	**155,280**
N.A. car	2,380	3,136	7,153	10,551
Imported car	8,383	6,778	25,219	21,429
HONDA	**10,763**	**9,914**	**32,372**	**31,980**
N.A. car	520	480	1,679	1,704
Imported car	1,743	1,657	5,454	5,389
HYUNDAI	**2,263**	**2,137**	**7,133**	**7,093**
JAGUAR (Imported car)	**65**	**115**	**226**	**400**
Imported car	46	41	142	211
Imported truck	10	28	63	50
LADA	**56**	**69**	**205**	**261**
LAND ROVER (Imported truck)	**8**	**0**	**48**	**0**
N.A. car	294	196	692	594
Imported car	5,317	2,666	17,518	9,463
Truck*	3,257	1,564	6,654	5,829
MAZDA	**8,868**	**4,426**	**24,864**	**15,886**
MERCEDES-BENZ (Imported car)	**400**	**446**	**1,121**	**1,346**
N.A. car	747	0	1,825	0
Imported car	1,941	1,920	7,374	7,598
Truck*	1,074	1,021	4,038	4,922
NISSAN	**3,762**	**2,941**	**13,237**	**12,520**
PEUGEOT (Imported car)	**21**	**10**	**40**	**29**
SUBARU (Imported car)	**751**	**501**	**2,880**	**2,334**
N.A. car	128	33	403	56
Imported car	383	657	1,786	2,620
N.A. truck	534	72	988	193
Imported truck	369	533	993	2,199
SUZUKI	**1,414**	**1,295**	**4,170**	**5,068**
N.A. car	1,691	988	6,665	2,841
Imported car	5,165	6,651	16,263	21,621
Imported truck	1,993	1,754	6,191	5,779
TOYOTA	**8,849**	**9,393**	**29,119**	**30,241**
Imported car	3,263	3,174	10,972	10,510
Imported truck	79	76	214	227
VOLKSWAGEN	**3,342**	**3,250**	**11,186**	**10,737**
N.A. car	128	310	668	1,026
Imported car	266	219	852	811
VOLVO	**394**	**529**	**1,520**	**1,837**
N.A. car	**60,762**	**62,832**	**185,036**	**204,072**
Imported car	**31,567**	**27,237**	**101,709**	**93,559**
TOTAL CAR	**92,329**	**90,069**	**286,745**	**297,631**
N.A. truck	**38,862**	**36,718**	**109,066**	**120,548**
Imported truck	**7,348**	**5,361**	**19,863**	**21,438**
TOTAL TRUCK	**46,210**	**42,079**	**128,929**	**142,084**
TOTAL CANADA SALES	**138,539**	**132,148**	**415,674**	**439,715**

*Breakdown of N.A.-built and imported sales not available.
**Includes Passport and Saab sales.
NOTE: N.A. sales are cars and trucks built in the United States and Canada.
Source: Automotive News Data Center and Association of Intl. Automobile Mfrs. of Canada

Ford of Canada president bemoans gas-guzzler tax

By Alex Law
STAFF CORRESPONDENT

OAKVILLE, Ontario — The chairman of Ford of Canada says the Ontario government is "kicking the auto industry while it's down" with a plan to double gas-guzzler taxes.

Kenneth Harrigan said last week that Ford will lose 3,100 sales in the 1992 model year if the proposal takes effect as scheduled July 1.

The lost sales will cost Ford approximately $40 million ($34.8 million U.S.) to $50 million ($43.5 million U.S.) in revenues, he said.

Harrigan: sees sales loss

The taxes are intended to promote energy conservation. In addition to the higher levies, the definition of "fuel inefficient" vehicles will broaden to include about 250 models, compared with 57 currently.

Harrigan also told shareholders at Ford of Canada's annual meeting that Ford will spend $56 million ($48.7 million U.S.) to expand the paint facility at its Oakville truck assembly plant. Work will begin soon, and completion is expected in summer 1992.

Ford of Canada lost $73 million ($63.5 million U.S.) in the first quarter of 1991, compared with a $44 million ($38.3 million U.S.) profit in the year-ago period.

Sales dropped 30 percent to $2.4 billion ($2.1 billion U.S.).

Mexican sales up 21% in first quarter

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Mexico's "big five" automakers have added more steam to their hot sales pace of 1990.

The companies sold 146,052 Mexican-made cars and trucks in the first quarter of 1991, a 36.6 percent increase over a year ago. For all of 1990, the top five makers boosted sales 21 percent.

The Mexican market has been aided by price stability, falling interest rates and easier access to credit.

A low-priced version of the Volkswagen Beetle, which sells for about $6,000, has been a hit since its introduction in 1989. It accounted for 15.2 percent of the big five's car and truck volume in the first quarter, with 22,187 sales.

The Beetle helped VW lead the industry. Ford, which a year ago was hampered by a labor dispute at a plant near Mexico City, placed second. Nissan, General Motors and Chrysler were close behind.

In addition, the big five nearly doubled export production for the quarter. Output of vehicles for export totaled 68,575, up 94.8 percent over the first three months of last year.

A big chunk of that increase came from Ford, which early last year produced only a trickle of cars at its Hermosillo plant. In the first three months of 1991, Ford built 18,644 Tracers and Escorts for the United States.

After the Beetle, Nissan's Tsuru (Sentra) was the most popular car in Mexico, with 20,076 sales. Ford's Topaz was third, with 10,660.

In addition to the Mexican-made vehicles, the five automakers sold 3,704 imported vehicles in the quarter. Mexico lifted a ban on imports last year. Ford sold 1,403, including 749 Lincoln Town Cars; GM 1,268, including 598 Corvettes; Nissan 648, including 550 Maximas; Chrysler 332, including 316 Voyager minivans; and VW 53, all Passats.

Aside from the big five's car and light-truck sales, there were 9,574 sales by other makers of trucks, buses and highway tractors.

MEXICAN VEHICLE SALES

	Jan.-Mar. 1991	Jan.-Mar. 1990
Volkswagen	37,600	30,075
Ford	28,548	7,925
Nissan	28,309	25,327
General Motors	25,802	20,311
Chrysler	25,793	23,265
TOTAL	**146,052**	**106,903**

SOURCE: Mexican Automotive Industry Association

LEGALS

Rhode Island AAA wins right to broker cars for members

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

A Rhode Island court says the state's American Automobile Association club can act as a new car broker for its members and also can sell off each year a few cars from its fleet as used vehicles.

The court told the state's Motor Vehicle Dealers' License Commission to give the club a dealer's license to do what 17 other such groups also do.

Robert P. Murray, vice president of corporate affairs for the association's South Central New England region, says more than 40 franchised dealers participate in its Auto Referral Service.

After a member chooses the make, model and options, the club writes up the order and adds a prenegotiated profit (somewhere between 3 and 6 percent of the dealer's invoice, depending on whether there is a holdback) for its participating franchised dealers. The member then goes to the dealer to purchase the vehicle.

The Rhode Island car referral business flourished during the 1960s, but was stopped in the early 1970s during the energy crisis because import dealers chose not to participate since they could sell fuel-efficient cars at a premium. The club did continue providing new car pricing data for its members. In early 1990 when the club decided to resume its car referral service, it was told it needed a dealer's license even though it was only referring customers to dealers and not actually selling cars. The club continued its referral service, but temporarily dropped its $75 fee. The club also was told it needed a dealer's license in order to sell between five and 20 vehicles from its own fleet as used cars.

The club then went to the state Motor Vehicle Dealers' License Commission, which is composed of 11 members, seven of whom are new car dealers. Of those seven, six were members of the Rhode Island Dealers Association, which opposed granting a dealer's license to the club. Last August, the commission denied the club's request for a license on grounds it would not be in the "interest of the general public."

The club went to court, saying the commission's decision was unsupported by evidence in the record. Superior Court Judge Paul P. Pederzani, Jr., concurred and disagreed strongly with one of the reasons for the commission's refusal to grant the club a license: a belief that it was responsible "to protect the rights of the dealers" and their economic self-interest. The commission's primary job, said the judge, was "to protect the public from irresponsible and unscrupulous automobile dealers" and in addition, "to prevent unfair practices and competition."

Wis. dealer loses license

MADISON, Wis. — The license of former Chevrolet dealer Robert Fahey has been revoked and Fahey has agreed not to seek a new license for a year in an agreement reached after the state alleged that 24 cars at Fahey's Black Earth dealership were sold in violation of state laws, including its lemon law.

Fahey since has sold the dealership, Suburban Motors, but continues to own two used-car businesses, Suburban Wheels and Suburban III, in Verona, Wis.

The state also suspended the Suburban Wheels license for 10 days after its investigation of seven car sales and suspended the Suburban III license for three days for one car sale.

Phillip Alioto, who supervises field investigations for the Wisconsin Department of Transportation's Dealer Section, said Suburban Motors bought cars that qualified as factory buyback lemons and resold them to customers as factory executive vehicles.

It also sold damaged vehicles as demonstrators or factory executive vehicles without telling buyers about prior damage, he said.

Other violations, he said, included failure to disclose mileage at the time of sale, failure to conduct inspections and to provide the information to customers on used-vehicle disclosure forms, and failure to inform buyers about existing factory warranties or misinforming them about such warranties.

— Sally Garbo Wedde

CAMI promises 13 percent rise in N. American content

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

INGERSOLL, Ontario — CAMI Automotive Inc. will increase the North American content of its cars and trucks by about $400 per vehicle during the next year.

That would represent as much as a 13 percent increase in North American value in its vehicles, although company officials will not specify what current content is.

CAMI, a 50-50 partnership between General Motors and Suzuki Motor Co. Ltd., is spending about $500 million a year on North American content. At its current production volume of 160,000 vehicles annually, that represents about $3,125 of North American value per vehicle.

Vehicles like the Metro will have about $400 more North American content.

"We're looking at adding another $400 of North America-made parts per vehicle," said Michael Nylin, CAMI vice president of finance. "We're aggressively seeking new components." The plant manufactures cars and sport-utilities that are shared by GM and Suzuki — the Geo Metro/Suzuki Swift car and the Geo Tracker/Suzuki Sidekick sport-utility.

CAMI has been at odds with the U.S. Treasury Department over the exact North American content of its cars and trucks, most of which are exported to the United States.

The vehicles must meet a 50 percent "North American value-added" level to escape U.S. duty payments under the U.S.-Canada Free Trade Agreement. CAMI contends that it should be allowed to include as content its interest payments on loans used to purchase production machinery. Treasury maintains that the interest payments are not allowable.

"We disagree with them," Nylin said. "So does the Canadian government. It's still unresolved."

Canadian industry sources speculate that CAMI's content rating could fall to as low as 35 percent if the interest payments are not allowed. Nylin said that all of CAMI's reports to the U.S. government have showed the vehicles "exceed 50 percent."

A lower level would require the transplant to use more North American-made components or to force GM and American Suzuki Motor Corp. to pay U.S. import duty (2.5 percent on cars; 25 percent on two-door trucks, including sport-utilities) on the CAMI vehicles they bring into the United States.

At the same time, a move is under way to raise the required North American content level from 50 to 60 percent.

CAMI

FROM PAGE 1

United Motor Manufacturing Inc., yields the Geo Prizm/Toyota Corolla. Saturn produces its own line. CAMI builds the Geo Metro/Suzuki Swift car and the Geo Tracker/Suzuki Sidekick sport-utility.

"We allow only GM people through here," says CAMI's vice president of finance, Michael Nylin, acknowledging the operation's veil of secrecy. "You have to understand that one of the reasons we're even here is for a learning experience for GM."

And learning it is. As far as Japanese transplants in North America go, CAMI's production methods and organization aren't unusual.

But for GM — the carmaker that lost one-fourth of its market to the Japanese during the past decade — the operation is a backyard specimen of a lean, efficient and flexible factory.

Fewer than 20 GM managers work in the plant, alongside 45 to 50 Suzuki managers and trainers. Top management is given to Suzuki, while other operations are handled by the partner with the greatest perceived expertise.

GM handles human resources and finance. Suzuki has provided the plant design, the car models and much of the machinery; it runs the manufacturing and engineering operations and manages the plant's sourcing activity.

CAMI will turn out about 120,000 cars and about 40,000 sport-utilities this year. That's about 40,000 fewer trucks than capacity, a dip brought about by a tumble in Suzuki Sidekick sales in the United States. But the operation gives GM a close-up view of the tricks of a Japanese auto plant.

- Large amounts of componentry are sub-assembled off-line and installed in systems, including instrument panels, engines, axles and suspension systems. The practice reduces the chances for assembly error. Suppliers deliver many subcomponents ready-assembled.
- CAMI runs a flexible assembly line. Front-wheel-drive unibody cars and rear-wheel-drive, body-on-frame trucks roll down the same line, separating for some jobs and reuniting at other points. The plant is really two in one, each modeled after a different Suzuki factory in Japan.
- Industrial engineers are an endangered species at CAMI. The Canadian Auto Workers-represented line workers, or "associates" in CAMI parlance, determine for themselves how they want their work stations laid out and how to perform their jobs. Associates have even taken over the industrial engineer's sacred role of time-motion studies, analyzing for themselves whether their setups are efficient.

"The biggest difference here at CAMI is the freedom the associates have in laying out their work stations," says Eric Stevens, manager of assembly, who came from GM's Lumina plant in Oshawa, Ontario.

- Greater emphasis is also placed on "in-line inspection" than at other plants, Stevens says. Associates, who work in teams, decide for themselves whether a job has been performed adequately. Again, the practice gives workers a greater stake in their jobs and offers more efficient quality control.
- Employee suggestion programs have become the norm for the industry, but at CAMI the program is staggering. Nylin reports that associates came up with 106,000 ideas for improvements last year. That's five to six ideas per employee per month, covering every aspect of vehicle production, from adaptations to hand tools to assembly-line ergonomic improvements.

Even more staggering, Nylin says, CAMI has already begun implementing about 95,000 of the ideas, which could be as simple as moving a table or wrapping a screwdriver handle with tape for better grip. Engineers and line workers are ironing out details on 2,000 others and will end up rejecting about 9,000 as unworkable.

"We're getting more employee participation here than Suzuki does in Japan," Stevens notes. "Frankly, we were a little surprised by the volume of ideas we initially got. We assumed it would taper off pretty quickly. But two years later, it isn't slowing down."

To encourage ideas, a point system rewards workers with cash, merchandise or, for about 10,000 accumulated points, a new car. The first "reward" car will be given away later this month.

One team devised a digital counter that displays the number of "clicks" a wrench makes to ensure that bolts are tightened properly. Another worker devised a holder that keeps suspension knuckles from being bumped onto the floor during installation. Workers built the entire rack system for about $100 in material costs.

Other devices, like an underground lift that raises the vehicle on the line for easier seat installation, aren't so cheap.

"You see why this place is so important to GM," says Nylin. "We're learning all about manufacturing here. Chrysler and Ford aren't getting these new ideas because they've all but written off small-car production in North America."

Sales still search for silver lining

Early May was no help as deliveries plunged 17.8%

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

A second-quarter rebound seems unlikely as early-May sales remained at the recession levels of earlier 1991 periods.

Sales of cars and light trucks for May 1-10 were down 17.8 percent from last year, with domestics taking a bigger hit than imports. April was off 13.5 percent.

The May 1-10 period had nine selling days this year and last.

Ford Motor Co. was off only 12.4 percent; General Motors sales were down 20.9 percent, and Chrysler Corp. was down 32.6 percent. *Automotive News* estimates 10-day sales for Chrysler and for some imports.

Ford's dip of 12.4 percent was an improvement over last month, when Ford's combined shortfall from 1990 was 20.7 percent. Ford said that its April numbers were lower than usual because fleet car sales were temporarily cut back.

Thanks to 1,198 imported Tracers and Capris, Mercury enjoyed a 4.6 percent gain over last year.

At GM, Buick continued to outperform the industry, enjoying a 5.5 percent sales gain, and Saturn reported 1,539 sales, 200 more than in the first 10 days of April.

Among the Japanese-based companies, sales for American Honda Motor Co. Inc. declined 6.4 percent. Honda has cut its imports from Japan and has reduced its U.S. production plans slightly. But Honda's share of the market is rising because other makers are losing even more.

For the 10-day period, Honda claimed 6.3 percent of the market, up from 5.6 percent in 1990. For the first four months of this year, Honda's share was 6.1 percent, up half a point from the year before. In cars only, Honda and Acura sold 256,462 cars from Jan. 1 through May 10, about 12,000 more than Plymouth, Dodge, Chrysler and Eagle combined.

Car and truck sales for Nissan Motor Corp. in U.S.A. were off 5.0 percent in early May, an improvement over Nissan's sales dip of 16.8 percent so far this year. Nissan's U.S.-built Sentras were up 43.9 percent for May 1-10.

Early-May sales for Toyota Motor Sales U.S.A. Inc. were off 16.7 percent, but the decline was greater than Toyota's 11.5 percent dip for the year to date. Trucks were down 9.8 percent and cars were off 19.1 percent in early May.

10-DAY CAR AND TRUCK SALES, BY MAKE

	May 1-10 1991	May 1-10 1990
ACURA (imp. car)	3,302	3,559
ALFA ROMEO (imp. car)*	90	36
ASTON MARTIN (imp. car)*	1	1
AUDI (imp. car)*	210	303
BMW (imp. car)*	982	1,170
Domestic car*	3,202	6,755
Imported car*	22	87
Domestic truck*	83	58
Chrysler Division*	3,307	6,983
Domestic car*	6,187	8,453
Imported car*	700	282
Domestic truck*	9,536	14,029
Imported truck*	75	244
Dodge*	16,498	23,008
Domestic car*	1,436	1,231
Imported car*	154	269
Eagle*	1,590	1,500
Domestic truck*	3,597	5,276
Jeep*	3,597	5,276
Domestic car*	3,675	6,354
Imported car*	295	279
Domestic truck*	3,284	4,506
Plymouth*	7,254	11,139
Domestic car*	14,500	22,796
Imported car*	1,171	917
Domestic truck*	16,500	23,869
Imported truck*	75	244
CHRYSLER CORP.*	32,245	47,826
Imported car*	115	162
Imported truck*	64	71
DAIHATSU*	178	234
FERRARI (imp. car)*	16	16
Domestic car	27,948	31,841
Imported car	1,037	1,350
Domestic truck	32,501	37,974
Ford Division	61,486	71,165
Domestic car	5,897	7,494
Lincoln	5,897	7,494
Domestic car	8,431	8,792
Imported car	1,198	410
Mercury	9,629	9,202
Domestic car	42,276	48,127
Imported car	2,235	1,760
Domestic truck	32,501	37,974
FORD	77,012	87,861
Domestic car	11,683	11,075
Buick	11,683	11,075
Domestic car	6,223	8,232
Cadillac	6,223	8,232
Domestic car	39,829	40,024
Imported car	2,973	4,010
Domestic truck	38,142	49,117
Imported truck	1	37
Chevrolet	71,945	93,188
Domestic car	10,341	14,469
Domestic truck	826	589
Oldsmobile	11,167	15,058
Domestic car	11,449	16,073
Imported car	416	736
Domestic truck	522	948
Pontiac	12,387	17,757
Domestic car	1,539	0
Saturn	1,539	0
Domestic car	72,064	89,873
Imported car	3,389	4,746
Domestic truck	39,490	50,654
Imported truck	1	37
GENERAL MOTORS	114,944	145,310
Domestic car	10,995	11,238
Imported car	4,592	5,384
HONDA	15,587	16,622
Domestic car	0	0
Imported car*	1,841	2,082
HYUNDAI*†	1,841	2,082
INFINITI (imp. car)*	492	332
Imported car*	257	59
Domestic truck	886	262
Imported truck*	1,640	1,692
ISUZU*	2,782	2,012
JAGUAR (imp. car)*	162	320
LAMBORGHINI (imp. car)*	3	3
LEXUS (imp. car)	1,219	1,249
LOTUS (imp. car)*	5	5
MASERATI (imp. car)*	4	4
Domestic car	682	1,157
Imported car*	2,866	2,584
Domestic truck	178	0
Imported truck*	1,718	1,928
MAZDA*	5,443	5,669
MERCEDES-BENZ (imp. car)*	1,075	1,335
Domestic car	1,143	1,776
Imported car*	1,686	1,886
Imported truck*	501	583
MITSUBISHI*	3,330	4,245
Domestic car	2,207	1,534
Imported car*	4,142	5,087
Domestic truck	2,304	2,232
Imported truck*	2,887	3,485
NISSAN*	11,539	12,338
PEUGEOT (imp. car)*	62	90
PORSCHE (imp. car)*	91	202
RANGE ROVER (imp. truck)*	50	52
ROLLS/BENTLEY (imp. car)*	10	20
SAAB (imp. car)*	393	436
STERLING (imp. car)*	49	60
Domestic car	894	214
Imported car*	1,190	1,791
SUBARU*	2,084	2,005
SUZUKI*†	148	586
Domestic car	6,330	9,118
Imported car	7,790	8,604
Imported truck	5,994	6,645
TOYOTA	20,114	24,367
Imported car*	1,726	2,048
Imported truck*	101	123
VOLKSWAGEN*	1,827	2,171
VOLVO*†	1,434	1,607
YUGO (imp. car)*	25	118
Domestic car	151,091	185,833
Imported car	43,037	47,976
TOTAL CAR	194,128	233,809
Domestic truck	91,859	114,991
Imported truck	13,829	14,861
TOTAL TRUCK	104,888	129,852
TOTAL CAR & TRK	299,016	363,661

*Estimated †Breakdown of North American built and imported car sales not available.
There were 9 selling days in the period this year and 9 last year.

Mitsubishi gives U.S. parts firms a foot in the door for future cars

Mitsubishi Motors Corp. says it will give U.S. parts makers a chance to participate in the design of its future generation cars, including those built at its U.S. transplant manufacturer, Diamond-Star Motors Corp.

Officials from Mitsubishi and Diamond-Star last week held a conference for 150 North American suppliers — including Japanese companies with U.S. plants — to discuss opportunities for participation in the design.

The firms included existing Diamond-Star suppliers and potential new suppliers to both the transplant and the Japanese manufacturer.

In Japanese industry practices, key component suppliers are selected early in the design process. U.S. firms and the U.S. government have recently put Japanese carmakers under increasing pressure to involve more U.S. suppliers in that stage.

Diamond-Star is a 50-50 joint venture with Chrysler Corp., but negotiations are under way to shift Mitsubishi's ownership to 75 percent. The move would give the Japanese company greater control of product development.

Diamond-Star currently builds two vehicle platforms, the Mitsubishi Eclipse/Plymouth Laser/Eagle Talon and the Mitsubishi Mirage/Eagle Summit. The company will add a third vehicle to the mix in 1993 and also will begin sourcing U.S.-made engines from Chrysler that will be designed by Mitsubishi.

— Lindsay Chappell

INCENTIVE WATCH

CUSTOMER INCENTIVES

CHRYSLER CORP.
Rebates expire June 30 unless otherwise noted. Finance rates in lieu of rebates are 4.9 percent to 9.9 percent, depending on length of contract. Finance rates on minivans are 7.9 to 10.9 percent.

Chrysler (1991)*	$1,000-1,500
1990	$500-1,000
Dodge Monaco (1991)*	$1,500
Other 1991 cars*	$400-1,000
Monaco (1990)*	$1,500
Other 1990 cars	$700-1,000
Dodge trucks (1991)	$300-1,500
1990 trucks	$500-2,000
Eagle Premier (1991)*	$1,500
Other 1991	$700
Premier (1990)*	$1,500
Other 1990	$700,1000
Jeep	
Grand Wagoneer ('91)**	$1,500
Other 1991	$500-1,000
Grand Wagoneer ('90)**	$1,500
Other 1990	$1,000-2,000
Plymouth (1991)	$400-1,000
1990 models	$700-1,000
All minivans without air bag (1991)	$500
1990 models	$1,500

*Expires Sept. 30 on 1990-91 Monaco and Premier and 1991 LeBaron and Daytona
**Expires Dec. 31 on Grand Wagoneer

FORD MOTOR CO.
Finance rates in lieu of rebates range from 4.8 percent to 7.9 percent. All incentives expire June 4.

Ford cars (1991)	$500-1,500
Cars (1990)	$650-900
Trucks (1991)	$500-1,500
Trucks (1990)	$650-1,150
Mercury (1991)	$500-1,000
Tracer (1990)	$650

GENERAL MOTORS
All makes except Cadillac offer cut-rate financing in lieu of rebates. Unless otherwise noted, rebates expire June 2 on 1990 models and July 7 on 1991 models.

Buick (1990-91)†	$250-2,000
Cadillac Brougham (1991)	$1,500
Chevrolet	
S Blazer (1991)	$1,500**
Other 1991	$300-1,000
Cars (1990)	$500-1,500
Trucks (1990)	$1,000-1,500
GMC	
Suburban (1991)*	$1,000
Other 1991	$500-1,000
1990 models	$1,000-1,500
Oldsmobile (1990-91)	
Regional incentives	$500-2,250
Pontiac Grand Am ('91)	$1,000

†Based on option package selected
*Expires Sept. 25
**Rebate on 1991 S Blazer is $1,000 after June 2.

HYUNDAI (expires July 2)

Excel (1990-91)	$500-1,000
Sonata (1990-91)	$1,000
Scoupe (1991)	$750

MAZDA (expires June 3)

1991 trucks	$500-1,000*

*Based on region

SUBARU (1991, expires July 2)

Loyale	$500
Legacy L	$750
Legacy L Plus	$900-2,000
Legacy LS	$1,200-$1,400
Legacy LSi	$1,200-1,700
Legacy Spt. Sed.	$1,00
XT, XT6	$2,000

INCENTIVE WATCH

DEALER INCENTIVES

CHRYSLER CORP.
Premier and Monaco programs expire Sept. 30; others expire June 30.

Dodge Spirit (1990-91)	$500
Monaco (1991)	$1,000-2,000 based on sales, plus $1,000 for each car ordered from factory
Monaco (1990)	$1,000-2,000, based on sales
Eagle Premier (1991)	$1,000-2,000 based on sales, plus $1,000 on each car ordered from factory
Premier (1990)	$1,000-2,000 based on sales
Jeep Grand Wagoneer (1990-91)	$3,500
Plymouth Acclaim (1990-91)	$500
Caravan, Voyager (no air bag) 1991	$500

GENERAL MOTORS

Chevrolet Corvette	$2,000

HONDA (expires June 3)

1991 Accord (excludes XE)	$400
1991 Civic 4-door	$400
1990 Accord	$400

HYUNDAI (1991, expires July 2)

Scoupe, Sonata	$100-300, based on sales

ISUZU (expires June 30)

1990-91 models	$800-2,000 based on sales

NISSAN (1991, expires Aug. 2)

Sentra E, XE, GXE	$400
Stanza	$1,400
Maxima	$800-1,000, quota
240SX	$600-800, quota
300ZX	$1,500
Trucks	$1,200
Trucks (California only)	$1,300-1,500, quota
Pathfinder	$1,000-1,400, quota

PEUGEOT (1990, no expiration date) $2,000

SUZUKI (expires June 3)

Swift (1991)	$400-500
Swift (1990)	$400-1,000
Sidekick (1991)	$500-1,000
Sidekick (1990)	$1,000-1,500
Samurai (1990)	$500

TOYOTA (expires June 3)
All rebates are based on performance against quota.

Corolla (1989-91)	$200-1,000
Camry (1989-91)	$200-1,000
Celica (1989-91)	$300-1,200
4x2 pickups (1989-91)	$300-1,100
4x4 pickups (1989-91)	$200-1,000

VOLKSWAGEN (1990, no expiration date)

Cars	$500-1,500

NISSAN

FROM PAGE 1

begin about six months later than originally planned, said Jerry Hirshberg, vice president of Nissan Design International. But Hirshberg said he was surprised there weren't more disagreements along the way. It's hard enough, he said, harmonizing the interests of Nissan engineers and cultures in two countries. It's even tougher when two unrelated companies are involved.

Hirshberg said a shared vision for the project and a joint commitment to keep costs down kept it focused. After Ford and Nissan executives originally agreed on the concept, Hirshberg's team "told both sides to get the hell out. And for months, they did."

The order: Create a high-quality minivan with more creature comforts than the competition and with ride and handling qualities that will please people who like to drive.

With that common goal, everything came into focus at the design stage, said Hirshberg. Nissan decided not to go with a "one-box" design — such as that used on the stylistic Toyota Previa. Although it had aerodynamic advantages, it was deemed hard to heat and cool and added unnecessary interior volume.

"We decided it would be superfluous to go after styling for its own sake," Hirshberg said.

Nissan ended up with a compromise between the one-box design and the more conventional two-box. In shape, the Quest/Villager ironically enough mimics the Mazda MPV, a rear-drive minivan. Ford decided not to work with Mazda on the minivan project because Ford wanted the vehicle to be front-wheel drive. Its own Aerostar is rear-wheel drive.

If there were a van version of Nissan's Maxima, Hirshberg added, this would be it.

Under the hood, it will carry a Nissan 3.0-liter V-6 engine with four-speed automatic transmission; basically it is the Maxima's powertrain. Inside the seven-passenger vehicle are lots of cup holders and seat backs that can serve as table tops. Passengers in the middle two-person bench seat can adjust the sound system.

KGP PHOTOGRAPHY

The nose bra on a Villager in this spy photograph disguises the downward slope of the hood from windshield to headlights.

The rear bench seat folds up and slides against the middle seat to create cargo space in the back. For more storage room, the middle seat can be removed, allowing the rear seat to slide directly behind the front seats. The idea, Hirshberg said, came from women who said they didn't want to remove the rear seat every time they hauled groceries instead of kids.

When Ford executives were allowed a look at the design team's work, they greeted it with a "chorus of smiles," said Hirshberg. Remarkably, he said, the shape changed little after the final clay model.

Development was expedited by the fact that there are relatively minor differences between the Ford and Nissan versions. A light bar, like that on the Mercury Sable, will grace the front of the Villager but not the Quest. And there will be some differences inside. But a shared desire to control costs kept both companies from spending money just to shape sheet metal, Hirshberg said.

Nissan revealed few specifications. To some press observers, the Quest appeared smaller than the segment-leading Chrysler minivans. Nissan answered by saying that the dimensions are similar — even to the longer versions of the Chrysler models.

Engines will initially come from Japan. But six months after Job 1, the powertrains will be built at a new Nissan plant in Tennessee. That change will push North American content above 75 percent. Nissan's manufacturing plant in Tennessee will stamp the sheet metal, which will be shipped to Ohio. Jigs and tooling used at the Ford plant will be brought from Japan.

Some components were subcontracted through Ford.

By working with Ford, Nissan "learned better how to deal with American suppliers" and closely coordinate engineering work with them, said an executive with Nissan CR Corp., the platform group working with Ford. He said the experience is already paying off with new American suppliers for Smyrna, Tenn., where Nissan builds Sentras and pickup trucks.

With U.S.-Japan trade friction increasing, Japanese automakers are under pressure to use more U.S. suppliers.

Ford itself may become one of them. Ford engineers designed the instrument panel and air conditioning systems for the Villager-Quest, and press reports last week said Ford may supply Nissan with air conditioning and other systems.

SENTIA

FROM PAGE 1

According to one industry executive who has been briefed on the Sentia, Mazda is launching the new car as a "test case" for Pegasus while it finishes developing a new 4.0-liter V-8 engine. Mazda will not launch the Pegasus line until the V-8 is ready, probably inside two years, the source said.

Steve Usher, who follows the industry for Kleinwort Benson International in Tokyo, said Sentia could be a "practice run for the Pegasus," much like Nissan's wide-bodied Cima anticipated the Infiniti. But he expects Mazda to take a step-by-step entry into the luxury market, waiting to get comfortable with the Sentia before proceeding further.

The new car will be the largest Mazda ever built. At 197 inches long, 71.8 inches wide and 55.2 high, it is 3 inches longer and 4 inches wider than the Luce/929. Because of all-wheel steering, turning radius is an unusually tight 16.1 feet — narrower than the Legend's 17.5 feet and almost as good as the subcompact Mazda Familia/323, at 15.8 feet.

The front end slopes to a particularly low angle, allowing for an expansive front windshield.

Sentia's competition in Japan

- **Sentia, $20,289 to about $33,000**
- **Mitsubishi Diamante, $14,490 to $28,980**
- **Acura Legend, $26,810 to $39,130**

The new model is fitted with an optional solar sunroof which recharges the battery when the car is parked in the sun during the winter time and which turns on ventilation when parked in hot summer sun.

Other features spied last week on a car in the locked back room of a Tokyo dealership included driver-side air bag, cruise control, power seats, deluxe audio and leather interior.

According to a Mazda source, Sentia now becomes the company's top-of-the-line model while the Luce is phased out. The Luce will be dropped to allow the company to concentrate its resources on the Sentia, the new MX-3 and the new RX-7 expected to debut at the Tokyo auto show this fall, the source said.

Analysts, none of whom had been briefed on the new car, said it addressed Mazda's need to move more aggressively into the upper end of the market, even if that segment is starting to decline.

"Mazda has decided they have to get into that segment," said Neal Doying of Baring Securities in Tokyo. "Their success before has been in small cars. They have not performed well in the large-car segment" with the Luce.

According to Usher, the Sentia should mean higher profit margins for Mazda — "which could help offset what could otherwise be a difficult year."

The Luce/929, which was last remodeled in 1986, has not sold well since its debut. Japan market sales in the just-ended fiscal year fell 26 percent from a year earlier, to about 23,139.

On a calendar-year basis, worldwide exports fell 11.6 percent in 1990, to 23,756 units. U.S. sales fell to 16,535 last year from 19,390 in 1989, when sales were off 25 percent from 1988.

Car analysts talk trends at gathering

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — You didn't need a whiff of ocean air to know the Society of Automotive Analysts was meeting in California. You just listened to the principal subjects: clean air, traffic congestion, trends and a touch of Big 3 bashing.

The biggest brickbats were thrown by Richard Recchia, executive vice president and chief operating officer of Mitsubishi Motor Sales of America Inc.

"Just like in 1981 . . . we're witnessing another round of political posturing by the Big 3 as they try to convince U.S. government officials that during the past 10 years they haven't had enough time to get 'breathing space' nor to establish a 'level playing field,' " Recchia said in his speech at the closing session.

Recchia: tosses brickbats at Big 3

Calling it the start of another "red herring cycle" in automotive politics, Recchia said Detroit keeps changing the rules of the game: "They said, 'If you're going to sell 'em here, build 'em here.' So we did and now we're getting criticized for that."

Recchia took issue with the different definitions Big 3 executives use in talking about products.

He questioned the fairness of calling the Eagle Talon and Plymouth Laser "domestic," and therefore good, while the nearly identical Mitsubishi Eclipse, built in the same U.S. assembly plant, is called a "transplant, and that's bad."

He said the Big 3 call their Mexican- and Canadian-built products "neo-domestic," when they are actually imports.

The audience received Recchia well, and many laughed when he joked that the Big 3 were holding a fund-raising event, selling pieces of turf from the infamous "level playing field" for $25. The laughter served as a reminder that Los Angeles loves imports, among other things.

There was almost constant reference to clean air, fuel economy, traffic congestion and other issues with particular relevance in Southern California.

Panels tackled globalization, design, advertising, environmental, [illegible] and technology issues.

Some key remarks included:

- William Young, president and chief executive officer of Volkswagen of America Inc., told the crowd that the current franchise system and its focus on price, not value and image, "will not be tolerated indefinitely by consumers."

He suggested the need to direct efforts away from rebates and gimmicks and into providing better products and better information to consumers.

- Bernard Campbell, principal of DRI/McGraw Hill, said that "manufacturers are investing too much into fuel efficiency." He forecast that corporate average fuel economy standards will not change drastically and that the low price of fuel keeps consumers from being too concerned with fuel efficiency.

"The industry can legitimately cry poverty this year," and that will keep Congress from doing anything too drastic with CAFE, he said.

- Bob Shull, senior marketing analyst, car division, American Honda Motor Co., admitted that not having a minivan "is a major gap in our product line." But he said that since Honda does not now build trucks, the decision would require a major commitment that Honda has not yet decided it wants to make.

- Al Flowers, senior designer and assistant to the vice president at Nissan Design International, showed that supporters of the Gobi (a sporty, quirky pickup the design group made as a concept vehicle for 1990 auto shows) never say die. Flowers said he's "still hoping" the project will someday see production.

PRODUCTION

U.S. CAR	Week Ended May 18, 1991	Week Ended May 11, 1991	May to Date	Jan. 1 to May 18, 1991	Jan. 1 to May 19, 1990
Horizon	0	0	0	0	4,327
Sundance	1,800	2,317	4,117	16,202	29,117
Acclaim	2,500	0	4,200	29,345	34,235
Total Plymouth	**4,300**	**2,317**	**8,317**	**45,547**	**67,679**
LeBaron A	0	0	0	0	8,755
LeBaron J	1,350	1,338	3,454	17,723	15,963
N. Yorker C-Class	200	167	451	2,975	13,370
Fifth Avenue	1,050	1,051	2,723	11,226	11,591
Imperial	200	216	534	2,737	6,610
Total Chrysler	**2,800**	**2,772**	**7,161**	**34,661**	**56,289**
Omni	0	0	0	0	4,078
Daytona	0	0	0	4,936	11,704
Shadow	2,300	2,492	4,792	18,930	33,064
Dynasty	3,600	3,518	9,249	43,875	43,909
Spirit	2,400	0	3,633	26,205	34,943
Total Dodge	**8,300**	**6,010**	**17,674**	**97,476**	**127,698**
CHRYSLER CORP.	**15,400**	**11,099**	**33,151**	**177,684**	**251,666**
Escort	5,767	5,709	14,871	76,745	78,806
Mustang	3,705	0	3,705	25,571	55,730
Tempo	3,239	0	5,151	39,831	53,089
Taurus	8,551	8,532	22,209	122,961	146,002
Thunderbird	2,524	2,415	6,219	30,584	45,322
Total Ford Div.	**23,786**	**16,656**	**52,156**	**295,692**	**378,949**
Topaz	1,161	0	1,802	16,809	20,271
Cougar	1,680	1,795	4,755	23,169	28,661
Sable	2,654	2,605	6,712	39,533	43,553
Total Mercury	**5,495**	**4,400**	**13,269**	**79,511**	**92,485**
Continental	1,179	1,182	3,062	22,307	22,170
Mark VII	209	205	539	3,905	10,972
Town Car	2,772	2,776	7,214	52,473	66,143
Total Lincoln	**4,160**	**4,163**	**10,815**	**78,685**	**99,285**
Total L-M Div.	**9,655**	**8,563**	**24,084**	**158,196**	**191,770**
FORD MOTOR CO.	**33,441**	**25,219**	**76,239**	**453,888**	**570,719**
Skylark/Somerset	0	0	0	34,929	34,712
Century	3,351	2,119	6,617	31,726	25,955
Riviera	286	324	786	4,246	9,200
Electra/Park Ave.	2,911	3,254	8,110	37,908	13,045
LeSabre (fwd)	0	554	712	34,249	64,388
Roadmaster Wagon**	298	269	761	9,266	3,087
Reatta	35	98	192	1,206	3,465
Total Buick	**6,881**	**6,618**	**17,178**	**153,689**	**153,852**
Eldorado	365	405	993	6,433	8,462
Seville	906	39	1,481	13,046	13,865
Brougham (rwd)	504	494	1,272	7,829	13,065
DeVille (fwd)	3,651	3,718	9,557	53,776	66,708
Allante	64	64	166	1,203	1,463
Total Cadillac	**5,490**	**4,720**	**13,469**	**83,045**	**103,563**
Cavalier	6,094	5,209	14,424	106,207	124,074
Camaro	1,568	1,470	3,807	16,867	23,430
Corsica/Beretta	6,808	8,221	19,088	92,513	109,557
Caprice	3,379	3,587	8,990	52,707	74,103
Corvette	485	485	1,260	9,094	9,295
Total Chevrolet	**18,334**	**18,972**	**47,569**	**277,388**	**340,459**
Calais	0	0	0	34,616	37,490
Cutlass Ciera	2,316	1,922	5,594	28,683	30,295
Cutlass Supreme	2,208	2,413	6,127	40,106	32,530
Toronado	153	169	413	2,788	7,528
88 (fwd)	1,875	527	2,559	22,001	38,110
Custom Cruiser Wag.***	128	111	327	4,245	2,295
98	1,549	1,529	3,761	29,200	21,940
Total Oldsmobile	**8,229**	**6,671**	**18,781**	**161,639**	**170,188**
Sunbird	3,088	2,654	7,242	48,141	57,312
Grand Am	4,556	5,250	13,440	87,122	74,482
Firebird	473	458	1,272	5,445	14,139
Grand Prix	2,736	2,130	6,143	36,971	41,488
Pontiac 6000	1,212	1,007	2,743	13,198	22,512
Bonneville	67	14	81	21,033	31,489
Total Pontiac	**12,132**	**11,513**	**30,921**	**211,910**	**241,422**
Total Saturn*	**1,640**	**1,640**	**4,254**	**23,837**	**0**
GENERAL MOTORS	**52,706**	**50,134**	**132,182**	**911,508**	**1,009,484**
DIAMOND-STAR	**3,139**	**3,146**	**8,186**	**60,919**	**55,687**
Civic	2,080	2,022	5,038	36,082	47,614
Accord	7,410	7,445	19,350	138,967	124,843
HONDA	**9,490**	**9,467**	**24,388**	**175,049**	**172,457**
MAZDA†	**3,346**	**3,078**	**7,524**	**57,173**	**69,956**
NISSAN	**2,630**	**2,633**	**6,838**	**54,287**	**40,814**
Corolla	2,100	2,169	5,543	40,796	41,689
Geo Prizm/Nova	2,000	1,998	5,179	39,656	39,886
NUMMI	**4,100**	**4,167**	**10,723**	**80,452**	**81,575**
SUBARU-ISUZU	**1,151**	**1,108**	**2,969**	**22,123**	**18,321**
TOYOTA	**4,275**	**4,376**	**11,301**	**86,437**	**86,578**
TOTAL BIG 3	**101,547**	**86,452**	**241,573**	**1,543,080**	**1,831,869**
TOTAL TRANSPLANT	**28,131**	**27,977**	**71,921**	**536,440**	**517,288**
TOTAL CARS, U.S.	**129,678**	**114,429**	**313,494**	**2,079,520**	**2,349,157**
TOTAL CARS, CANADA	**23,308**	**27,242**	**24,299**	**406,337**	**401,500**
U.S., CANADA CARS	**152,986**	**141,671**	**337,793**	**2,485,857**	**2,750,657**
U.S., CANADA CARS AND TRUCKS	**248,456**	**232,195**	**433,875**	**3,986,949**	**4,665,601**

Monthly estimates may contain error of one or two units due to rounding.
*Estimate †Total includes MX-6, 626, and Ford Probe
**1990 totals reflect the LeSabre (rwd). ***1990 totals reflect Olds. 88 (rwd)

CANADIAN CAR	Week Ended May 18, 1991	Week Ended May 11, 1991	May to Date	Jan. 1 to May 18, 1991	Jan. 1 to May 19, 1990
Monaco	0	0	0	1,679	4,913
Premier	0	51	51	3,225	2,482
CHRYSLER CORP.	**0**	**51**	**51**	**4,904**	**7,395**
Tempo	3,259	2,996	3,129	42,512	49,914
Topaz	1,387	1,271	1,308	13,006	18,146
Crown Victoria	1,585	1,952	1,515	34,656	49,051
Grand Marquis	2,026	2,680	1,928	31,051	45,511
FORD MOTOR CO.	**8,257**	**8,899**	**7,880**	**121,225**	**162,622**
Celebrity	0	0	0	0	9,844
Cutlass Ciera	1,780	1,827	1,827	25,044	31,562
Lumina	5,662	6,526	6,248	78,404	85,781
Regal	1,259	3,276	1,675	42,225	27,691
GENERAL MOTORS	**8,701**	**11,629**	**9,750**	**145,673**	**154,878**
CAMI	**2,300**	**2,447**	**2,347**	**49,125**	**0**
HONDA	**2,200**	**2,212**	**2,212**	**41,823**	**42,107**
HYUNDAI	**270**	**423**	**478**	**13,517**	**7,142**
TOYOTA	**1,400**	**1,401**	**1,401**	**26,652**	**23,829**
VOLVO	**180**	**180**	**180**	**3,418**	**3,527**
TOTAL CARS, CANADA	**23,308**	**27,242**	**24,299**	**406,337**	**401,500**

U.S. TRUCK

Caravan	2,200	2,979	2,629	41,117	44,824
Dakota	1,950	2,009	2,109	28,720	28,953
Caravan C/V	100	129	129	1,721	2,869
Ram pickups	1,950	2,069	1,919	28,671	42,462
Total Dodge	**6,200**	**7,186**	**6,786**	**100,229**	**119,108**
Cherokee	4,100	0	4,100	41,823	64,913
Comanche	150	0	150	2,056	3,030
Grand Wagoneer	0	0	0	427	2,080
Wagoneer/Briarwood	50	0	50	1,127	1,510
Total Jeep	**4,300**	**0**	**4,300**	**45,433**	**71,533**
Voyager	1,800	1,976	2,326	33,045	42,847
Town & Country	50	82	82	1,272	1,411
Total C-P Div.	**1,850**	**2,058**	**2,408**	**34,317**	**44,258**
CHRYSLER CORP.	**12,350**	**9,244**	**13,494**	**179,979**	**234,899**
Aerostar	4,216	3,960	4,087	55,722	78,401
Bronco	354	331	337	4,597	21,512
Bronco II/Explorer	6,758	5,590	6,650	106,274	53,993
Navajo	182	169	200	5,059	0
Econoline	2,049	2,085	2,047	46,053	77,173
Mediums/Heavies	0	1,025	(8)	13,324	20,656
Light trucks	8,234	4,905	8,180	101,500	179,708
Ranger	6,689	6,063	6,519	94,917	118,725
Total Ford Div.	**28,482**	**24,128**	**28,012**	**427,446**	**550,168**
FORD MOTOR CO.	**28,482**	**24,128**	**28,012**	**427,446**	**550,168**
Astro	3,030	2,883	3,388	37,398	46,249
Blazer	186	216	200	2,890	6,840
Lumina APV	1,118	1,245	1,128	13,860	39,360
Mediums/Heavies	215	157	124	1,208	3,483
P-Model	451	398	407	5,918	9,658
Pickups	6,549	6,310	6,452	92,769	138,643
S10	6,876	6,780	7,214	97,067	91,345
S10 Blazer	1,760	1,696	1,764	15,402	48,285
Sportsvan/Van	1,004	934	898	15,975	26,626
Suburban	593	603	607	9,478	26,457
Total Chevrolet	**21,782**	**21,222**	**22,182**	**271,965**	**436,946**
Jimmy	45	18	31	857	2,211
Mediums/Heavies	355	449	452	2,770	5,933
P-Model	45	97	84	1,266	1,200
Pickups	2,191	2,051	2,052	43,753	48,660
S15/Sonoma	922	941	571	21,406	22,405
S15 Jimmy	370	356	153	4,939	14,989
Safari	1,277	772	939	14,745	14,193
Suburban	568	565	554	9,276	11,825
Vandura/Rally Vans	497	591	598	7,467	9,040
Total GMC	**6,270**	**5,840**	**5,434**	**106,478**	**130,456**
Silhouette	570	679	524	6,944	12,672
Bravada	188	196	179	7,488	0
Total Oldsmobile	**758**	**875**	**703**	**14,432**	**12,672**
Pontiac Trans Sport	**783**	**868**	**773**	**8,777**	**21,783**
GENERAL MOTORS	**29,593**	**28,805**	**29,092**	**421,652**	**601,857**
NAVISTAR	**1,645**	**1,231**	**1,636**	**29,449**	**28,222**
NISSAN	**2,690**	**2,692**	**2,692**	**53,097**	**60,288**
SUBARU-ISUZU	**934**	**1,016**	**1,010**	**19,355**	**10,192**
AM GENERAL	**400**	**400**	**400**	**8,050**	**9,090**
MISCELLANEOUS	**2,650**	**2,650**	**2,650**	**53,350**	**60,600**
TOTAL TRUCKS, U.S.	**78,744**	**70,166**	**78,986**	**1,192,378**	**1,555,316**

CANADIAN TRUCK

Caravan	2,836	3,593	2,847	54,557	63,596
Caravan C/V	181	245	198	11,104	5,149
Ram Wagon	556	704	565	8,502	9,652
Ram Van	980	1,256	1,011	14,875	23,699
Total Dodge	**4,553**	**5,798**	**4,621**	**89,038**	**102,096**
Voyager	1,847	2,489	2,002	40,488	52,043
Total Plymouth	**1,847**	**2,489**	**2,002**	**40,488**	**52,043**
Wrangler	1,200	1,652	1,352	20,681	21,584
Total Jeep	**1,200**	**1,652**	**1,352**	**20,681**	**21,584**
CHRYSLER CORP.	**7,600**	**9,939**	**7,975**	**150,207**	**175,723**
FORD MTR. (E. Trks.)	**3,001**	**2,983**	**2,954**	**35,371**	**57,387**
Light trucks	2,544	3,157	2,521	51,113	69,168
Vans	1,152	1,743	1,315	19,354	18,752
Total Chevrolet	**3,696**	**4,900**	**3,836**	**70,467**	**87,920**
Light trucks	856	1,018	804	20,148	26,161
Vans	408	443	287	7,929	8,437
Total GMC	**1,264**	**1,461**	**1,091**	**28,077**	**34,598**
GENERAL MOTORS	**4,960**	**6,361**	**4,927**	**98,544**	**122,518**
CAMI	**1,000**	**1,075**	**1,075**	**21,725**	**0**
NAVISTAR	**165**	**0**	**165**	**2,867**	**4,200**
TOTAL TRKS., CANADA	**16,726**	**20,358**	**17,196**	**308,714**	**359,828**
U.S., CANADA TRKS.	**95,470**	**90,524**	**96,082**	**1,501,092**	**1,915,144**

Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

U.S. builds 2-millionth car of 1991

By Bob DeMayer
SPECIAL CORRESPONDENT

U.S. car and car and truck output increased last week, and car production surpassed two million for the year last Monday.

Last year, the two-millionth car was built 11 days earlier.

Estimated assembly of 129,678 cars last week was 13.33 percent above the prior week but 9.89 percent below the year-ago week.

Year-to-date, U.S. car production of 2,079,520 trails 1990 by 11.48 percent.

Estimated truck production last week was 78,744, up 12.23 percent from the previous week but down 20.32 percent from the 1990 week.

So far this year, 1,192,378 trucks have been assembled, 23.34 percent below last year.

General Motors built the last Buick Reatta at the Reatta Craft Centre in Lansing, Mich., last Tuesday. Total output since production began in 1987 was 21,712. The highest yearly build was 8,245 in 1988. The plant is scheduled to be retooled for the production of electric cars.

GM scheduled Saturday overtime last week at the Lordstown, Ohio; Arlington, Texas; Fairfax, Kan.; Oklahoma City; and Linden, N.J., car plants. GM also scheduled one shift of Saturday overtime for the Moraine, Ohio, postal line and two shifts of Saturday overtime at the Baltimore truck facility.

Ford Motor Co. slated Saturday overtime last week at the Louisville, Ky., truck plant. The Edison, N.J., and Wayne, Mich., truck plants remain on a single shift this week.

Chrysler's St. Louis (No. 2) truck plant worked Saturday overtime on two shifts.

CANADA: All plants in Canada were closed last Friday and are closed today in observance of Victoria Day.

Canadian car production was estimated at 23,308 last week, down 14.44 percent from the prior week but up 8.62 percent from the year-ago week.

Year-to-date, 406,337 cars have been produced, putting 1991's total 1.20 percent above 1990.

Truck production last week was estimated at 16,726, down 17.84 percent from the prior week and 7.63 percent below the year-ago week.

Year-to-date, truck production in Canada is 14.21 percent below 1990.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
FORD		
Lorain, Ohio	**5/20**	**5,600**
Ford Thunderbird		
Mercury Cougar		
Wayne, Mich.	**5/20**	**5,000**
Ford Escort		
GENERAL MOTORS		
Lansing, Mich. (A plant)	**5/20**	*
Buick Skylark		
Chevrolet Calais		
Lansing, Mich. (B plant)	**5/20**	**
Pontiac Grand Am		
CHRYSLER		
Sterling Heights, Mich.	**5/20, 5/27, 6/3**	
Dodge Shadow		1,500
Plymouth Sundance		2,000
Total U.S. car		**14,100**
Total units lost week of 5/13		**14,100**

Source: Automotive News Data Center
*Plant will be down for extensive model changeover through August 1991.
**Model changeover

NOTE

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